



CITY OF MORGAN HILL

HIRAM MORGAN HILL ROOM
MORGAN HILL COMMUNITY AND CULTURAL CENTER
17000 MONTEREY ROAD MORGAN HILL CALIFORNIA 95037

COUNCIL MEMBERS

Steve Tate, Mayor
Larry Carr, Mayor Pro Tempore
Mark Grzan, Council Member
Marby Lee, Council Member
Greg Sellers, Council Member

WEDNESDAY, JUNE 20, 2007

AGENDA

CITY COUNCIL SPECIAL MEETING

5:00 P.M.

A Special Meeting of the City Council is called at 5:00 P.M. for the Purpose of Conducting a Workshop on the Coyote Valley Environmental Impact Report.

Steve Tate, Mayor

CALL TO ORDER

(Mayor Tate)

ROLL CALL ATTENDANCE

(City Clerk Torrez)

DECLARATION OF POSTING OF AGENDA

Per Government Code 54954.2

(City Clerk Torrez)

OPPORTUNITY FOR PUBLIC COMMENT

PUBLIC COMMENT

NOW IS THE TIME FOR COMMENTS FROM THE PUBLIC REGARDING ITEMS NOT ON THIS AGENDA.

(See notice attached to the end of this agenda.)

PUBLIC COMMENTS ON ITEMS APPEARING ON THIS AGENDA WILL BE TAKEN AT THE TIME
THE ITEM IS ADDRESSED BY THE COUNCIL. PLEASE COMPLETE A SPEAKER CARD AND
PRESENT IT TO THE CITY CLERK.

(See notice attached to the end of this agenda)

PLEASE SUBMIT WRITTEN CORRESPONDENCE TO THE CITY CLERK/AGENCY SECRETARY. THE
CITY CLERK WILL FORWARD CORRESPONDENCE TO THE CITY COUNCIL.

City Council Action

1. **Welcome** and Introductions;
2. **Discussion** of Agencies Comments Regarding Draft Environmental Impact Report and Identification of Common Concerns (Draft Morgan Hill Comments are attached); and
3. **Identify** Future Steps for South County Agencies

FUTURE COUNCIL AGENCY-INITIATED AGENDA ITEMS:

Note: in accordance with Government Code Section 54954.2(a), there shall be no discussion, debate and/or action taken on any request other than providing direction to staff to place the matter of business on a future agenda

ADJOURNMENT

PUBLIC COMMENTS ON ITEMS *NOT* APPEARING ON AGENDA

Following the opening of Council/Agency business, the public may present comments on items *NOT* appearing on the agenda that are within the Council's/Agency's jurisdiction. Should your comments require Council/Agency action, your request will be placed on the next appropriate agenda. No Council/Agency discussion or action may be taken until your item appears on a future agenda. You may contact the City Clerk/Agency Secretary for specific time and dates. This procedure is in compliance with the California Public Meeting Law (Brown Act) G.C. 54950.5. Please limit your presentation to three (3) minutes.

PUBLIC COMMENTS ON ITEMS APPEARING ON AGENDA

The Morgan Hill City Council/Redevelopment Agency welcomes comments from all individuals on any agenda item being considered by the City Council/Redevelopment Agency. Please complete a Speaker Card and present it to the City Clerk/Agency Secretary. This will assist the Council/Agency Members in hearing your comments at the appropriate time. Speaker cards are available on the table in the foyer of the Council Chambers. In accordance with Government Code 54953.3 it is not a requirement to fill out a speaker card in order to speak to the Council/Agency. However, it is very helpful to the Council/Agency if speaker cards are submitted. As your name is called by the Mayor/Chairman, please walk to the podium and speak directly into the microphone. Clearly state your name and address and then proceed to comment on the agenda item. In the interest of brevity and timeliness and to ensure the participation of all those desiring an opportunity to speak, comments presented to the City Council/Agency Commission are limited to three minutes. We appreciate your cooperation.

NOTICE

AMERICANS WITH DISABILITIES ACT (ADA)

The City of Morgan Hill complies with the Americans with Disability Act (ADA) and will provide reasonable accommodation to individuals with disabilities to ensure equal access to all facilities, programs and services offered by the City. If you need special assistance to access the meeting room or to otherwise participate at this meeting, including auxiliary aids or services, please contact the Office of the City Clerk/Agency Secretary at City Hall, 17555 Peak Avenue or call 779-7259 or (Hearing Impaired only - TDD 776-7381) to request accommodation. Please make your request at least 48 hours prior to the meeting to enable staff to implement reasonable arrangements to assure accessibility to the meeting.

If assistance is needed regarding any item appearing on the City Council/Agency Commission agenda, please contact the Office of the City Clerk/Agency Secretary at City Hall, 17555 Peak Avenue or call 779-7259 or (Hearing Impaired only - TDD 776-7381) to request accommodation.

NOTICE

Notice is given, pursuant to Government Code Section 65009, that any challenge of Public Hearing Agenda items in court, may be limited to raising only those issues raised by you or on your behalf at the Public Hearing described in this notice, or in written correspondence delivered to the City Council/Agency Commission at, or prior to the Public Hearing on these matters.

NOTICE

The time within which judicial review must be sought of the action by the City Council/Agency Commission which acted upon any matter appearing on this agenda is governed by the provisions of Section 1094.6 of the California Code of Civil Procedure.



Memorandum

Date: June 20, 2007
To: South County Stakeholder Agencies
From: Community Development Department
Subject: South County Comments Regarding Draft Environmental Impact Report for Coyote Valley Specific Plan

BACKGROUND

At the May 30 Stakeholder meeting, representatives of the City of San Jose gave a presentation on the Coyote Valley Specific Plan and Draft Environmental Impact Report (DEIR). Stakeholder agencies discussed the significant environmental impacts that were identified in the DEIR, particularly those that may affect South County. Agreement was reached that, to the extent possible, agencies should “speak with a single voice” regarding those impacts. To that end, agencies further agreed to present their respective issues and comments regarding the DEIR at the June 20th Stakeholders meeting, identify common issues and determine the most effective way to present those issues to the City of San Jose.

A draft letter containing Morgan Hill comments on the DEIR along with a memo from the City’s transportation consultants is attached for review.

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STEVE TATE
Mayor

June 26, 2007

Mr. Darryl Boyd, Principal Planner
Department of Planning, Building & Code Enforcement
City of San Jose
200 East Santa Clara St.
San Jose, CA 95113-1905

Dear Mr. Boyd:

Thank you for the opportunity to comment on the Draft Environmental Impact Report for the Coyote Valley Specific Plan. Also, on behalf of the City Council, would like to thank you and your staff for your presentation to the group of South County agencies that will be affected by development of this important area. The presentation was very informative and helpful to us in understanding the proposed development of the area and impacts that it will have on our City.

Following are the City's comments regarding the Draft EIR.

Uses of the EIR

Section 1.5.1 indicates the EIR is intended to be used for the adoption of the CVSP and its initial implementation through the pre/rezoning and annexation processes. Morgan Hill agrees that use of the document for the land use approvals specifically listed in this Section is appropriate. Section 1.5.2 lists other possible land use approvals that may rely on the EIR. However, the Note included in Table 2.0-2 indicates "The round numbers in the EIR reflect the program level of the EIR." Morgan Hill agrees that, with the exception of the initial implementation of the CVSP and the one other exception identified below, the EIR should be used as a program level EIR and it should be amended to so state. For reasons stated throughout this letter, Morgan Hill does not believe the DEIR contains sufficient information to be used for the other possible land use approvals. The exception is modification of the existing development agreements that provide for development of property in Coyote Valley. Amendment to these agreements is necessary for implementation of the CVSP. The DEIR must be amended to specifically address the impacts related to amendment of these documents.

Project Description

Table 2.0-2 of the DEIR indicates the project will include 55,000 jobs and 26,400 housing units. The Introduction to the Traffic Impact Analysis refers to 50,000 jobs and 25,000 housing units and the analysis, itself, refers to 57,060 jobs and 25,500 housing units. The DEIR needs to be amended to clearly state the maximum development levels anticipated and used in its analyses.

Consistency with Adopted Plans

Section 3.7 of the DEIR identifies Morgan Hill General Plan policies that are relevant to adoption of the CVSP. The policies included are those contained in the August 2005 General Plan document. A significant number of additional policies were added to the General Plan in April, 2006 that relate to Coyote Valley development and the Greenbelt between Morgan Hill and San Jose. These policies should be evaluated in the DEIR.

Transportation and Traffic

Section 4.2.2.11 of the DEIR discusses “traffic spillover” onto streets in the Greenbelt area during project build-out. It does not address spillover traffic onto Morgan Hill streets during build-out. The DEIR identifies traffic congestion on Hwy. 101, northbound in the a.m. peak period as a Significant Unavoidable Impact. This impact will cause spillover traffic onto Morgan Hill city streets. This impact needs to be addressed in the DEIR.

Section 4.2.2.11 also indicates that traffic improvements will be phased “commensurate with what is required for the proposed development phases.” The DEIR indicates that because of this phasing of improvements, traffic impacts in the Greenbelt would be “temporary”. Without knowing how and when traffic improvements will be phased, it is not possible to determine the level and duration of traffic impacts. Given that the “project” is tantamount to a new city, this “temporal impact” could be years or decades, which certainly cannot be termed a temporary impact. If significant impacts last for extended periods of time, the impact must be considered significant and mitigation provided. The DEIR must be amended to indicate the timing of improvements in relation to the impacts that will be created.

As identified above, Section 4.2.2.11 addresses the phasing of improvement in the Greenbelt area. It is unclear if the same type of phasing is proposed for areas outside of the Greenbelt. If so, the DEIR should be amended to indicate such. Also, as mentioned above, the phasing of improvements must be analyzed relative to the level and duration of impacts that will occur prior to improvement implementation.

In Section 4.2.3, the DEIR includes analysis of a partial buildout of CVSP with 20,000 jobs and 10,000 dwelling units. This analysis does not address any non-automobile modes, so it is not clear if the proposed Caltrain station or the internal transit circulator

is part of the Partial CVSP project. This needs to be clarified in the DEIR to determine if the trip generation for this scenario is appropriate.

Transportation Mitigation Measure 12 identifies improvements that would be necessary to improve the Level of Service at the intersection of Old Monterey Rd. with Monterey Rd. to an acceptable level. However, the mitigation does not indicate who will be financially responsible for the improvement, or when funding will be provided and improvement made.

Transportation Mitigation Measure 15 identifies the need for traffic signals at 15 unsignalized intersections, including four in Morgan Hill, due to Plan implementation. The Impact indicates the project would contribute its fair share towards installation of those signals. However, the impact (and associated mitigation measure) does not indicate how the fair share contribution would be determined, who would be responsible for making that contribution or when it would be made. The DEIR needs to be amended to provide this additional information. Relating to this need, Section 4.2.2.4 of the DEIR identifies the Dunne Ave. / Murphy Ave. as needing signalization. This intersection is currently signalized.

Transportation Impact 17 identifies significant Level of Service impacts that would occur to portions of Hwy. 101, including a segment from Tennant Ave. to Dunne Ave. during the a.m. peak period. Section 4.2.5.4 of the DEIR indicates that widening of the highway would be required to mitigate this impact. The section further states, in reference to all segments of Hwy. 101 that would be impacted, that widening would be infeasible because it would require the relocation of "hundreds of residences and businesses". It is not possible for the City to evaluate the "infeasibility" of the mitigation for the significantly impacted segment in Morgan Hill, including the need for relocation, without knowing the specific widening that would be required. The DEIR should be amended to provide this information.

In order to mitigate the impacts to Hwy. 101, Mitigation Measure 17 proposes transit improvements. However, the transit improvements proposed are not under the jurisdiction of the City and no indication is given regarding how the improvements would be implemented.

Section 4.2.5.4 further indicates that the significance of the impacts to Hwy. 101 and "the associated costs make this mitigation infeasible for one project to implement". If this "project" was a single use on a single parcel, Morgan Hill would agree. However, this "project" constitutes development of a new "city" the size of Mountain View. It is not unreasonable for a project of this size to contribute to freeway improvements. Alternative mitigation involving partial widening of Hwy. 101 and/or ramp metering should be evaluated and, if feasible, incorporated into the project, even if it would not improve the impact to a less than significant level.

Section 4.2.2.7 of the DEIR indicates that approximately 3,250 trips would be made daily using transit and originating outside of Coyote Valley and ending in the Valley. Page vii of Appendix C, the Transportation Impact Analysis, indicates that “contra flow (CalTrain) service will be operational by the time the full CVSP development is completed.” It is unclear if this transit ridership was factored into the traffic analysis and, if so, at what year during the build-out process. The DEIR should be amended to provide this information and ensure that these transit trips were not counted before the contra flow service will be available.

The City of San Jose General Plan analysis was conducted to determine how such a substantial change to the General Plan (i.e., the addition of the project) would affect the City’s overall transportation network. In Section 6.2.4, the DEIR describes the North San Jose Redevelopment Policies project as a recently approved project that ultimately will add approximately 26 million square feet of commercial development and 32,000 dwelling units at buildout. However, the text does not indicate the level of development included in technical analysis and should be provided for clarity.

The information in Section 6.0 (Cumulative Impacts) only refers to impact thresholds used by the City of San Jose for their General Plan analysis and provides limited information to the public or decision-makers in other jurisdictions as to the magnitude of impacts outside the City. Changes in cordon line and screenline volumes are presented but specific changes (i.e., mitigation) to facilities are not identified. The DEIR should include some level of mitigation for cumulative impacts.

The DEIR does not include any reference to the Year 2030 analysis in Section 4.2 (Transportation and Traffic) or in Section 6.3.2 (Cumulative Transportation and Traffic Impacts). This analysis was included as Appendix G to the TIA (which is Appendix C to the DEIR) and is only referred to in the conclusions section of the TIA. This analysis is critical to determining the long-term cumulative traffic needs in Morgan Hill with additional growth in south Santa Clara County, and should be fully incorporated into the DEIR. The 2030 analysis only addressed freeway and roadway segment volumes and did not analyze intersection operations. While using this approach is helpful from an overall planning perspective, it does not allow Morgan Hill and other adjacent jurisdictions, or San Jose for that matter, to determine specific improvements at each of their intersections that will be needed to accommodate project-generated and cumulative traffic volumes. The DEIR should be revised to include roadway segment mitigation at a minimum and long-term intersection analysis at critical locations south of the project site in Morgan Hill along Monterey Road, Cochrane Road, and Hale Avenue/Santa Teresa Boulevard.

Roadway segments listed as operating at LOS E or F in the Year 2030 analysis (Appendix G to the TIA) are also shown as congested link sets in the Long-Term Cumulative Impact Summary (Table 6.0-4 in the DEIR). However, the volume change in Table 6.0-4 for Link Sets 16 and 17 (N of Cochrane- NB and SB) is either negative or zero, and no impacts are identified. This result does not make sense since a substantial amount of CVSP traffic is expected to use US 101, Monterey Road, and Santa Teresa

Boulevard south of the project site. In addition, Table G-10 (in Appendix G to Appendix C of the DEIR) presents the 2030 analysis and includes *increased* traffic on all three of these roadways with the proposed project. This inconsistency should be investigated and explained.

The 2030 roadway segment analysis in Table G-10 (in Appendix G to Appendix C of the DEIR) incorrectly identifies Monterey Road between Cochrane Road and Old Monterey Road as having two lanes in the southbound direction with a capacity of 2,400 vehicles per hour (vph). This segment narrows from two to one along this segment and should be listed with a capacity of 1,200 vph. This change would cause the segment to operate LOS F during one or both peak hours under constrained and unconstrained conditions, resulting in an additional impact and requiring mitigation. The DEIR analysis should be revised to include this correction.

Noise and Vibration

Section 4.3.3.1 identifies the threshold of significance for noise impacts to be an increase of 3 dBA DNL or an increase that causes ambient noise levels to exceed guidelines adopted in the General Plan (60 dBA DNL). Section 4.3.3.4 of the DEIR evaluates the significance of long-term noise impacts outside of the development area. This Section defines significant noise impacts to include roadways where current noise levels exceed the General Plan standard of 60 dBA and where project related noise would increase the ambient level by 3 dBA. The standard of significance in Section 4.3.3.4 is inconsistent with the standard identified in Section 4.3.3.1 and the San Jose and Morgan Hill General Plans. All traffic noise impacts that would increase ambient noise levels by more than 3 dBA OR exceed the City's standard of 60 dBA DNL (even if by a single dBA) needs to be evaluated and mitigated.

Further, Noise Mitigation Measure 8-1 indicates that mitigation for roadway noise impacts outside of the CVSP area may not be feasible in all locations and that the determination of feasibility will be based on a "detailed study of the affected roadway segments to be completed prior to the project-level design review process." Roadway noise levels will increase gradually during the build-out process for Coyote Valley. The mitigation measure does not indicate at what time or upon the review of which project the detailed study would occur. Nor does the mitigation identify responsibility for mitigation where it is found to be feasible. The DEIR must be modified to provide specific information regarding the timing of mitigation and responsibility for its funding.

Air Quality

Section 4.4.3.1 of the Air Quality section of the DEIR indicates that an air quality impact is considered significant if it would "expose sensitive receptors ... to substantial levels of toxic air contaminants (TACs)". Section 4.4.2 indicates that Hwy. 101 produces significant amounts TACs due to the amount of traffic it carries and that residences are

considered sensitive receptors. As a result, the Section indicates that sensitive receptors should not be located within 500 feet of the Hwy. Section 4.4.3.4 indicates that "the project would not result in the long-term exposure of the general public to substantial levels of mobile TACs because the project does not propose any development within 500 feet of Hwy 101. The DEIR needs to be amended to evaluate the impact of TACs on existing residences that are located within 500 feet of Hwy. 101 in Morgan Hill.

Water Supply

The description of the project and the Water Supply section should be revised to include a description of the proposed project's water supply. The DEIR is unclear on which water supply elements are included in the project and which ones are not. An adequate and accurate environmental analysis is not possible without a clear and complete description of the project. The water supply description should include a discussion of water demands and all the different water sources that may be used to meet or reduce those demands, including groundwater from the Coyote Sub basin, recycled water, aggressive conservation, groundwater from the Santa Clara Sub basin, and treated surface water. In addition, the description should include planned measures to avoid and/or minimize adverse impacts, including additional groundwater recharge to avoid groundwater overdraft and advanced recycled water treatment to protect groundwater quality. The impacts associated with the mitigation measures should also be evaluated. Lastly, water supply facilities should be treated as other new facilities necessitated by the project and be included in the financing plan for the project.

Section 4.16.2.3 of the DEIR identifies recycled water from SCRWA as a source of up to 4,100 afy of the recycled water proposed for meeting increased water demands in Coyote Valley. The DEIR needs to clarify that only recycled water in excess of South County recycled water demands would be considered. The South County Recycled Water Master Plan, a joint effort by SCRWA and the District, does not include exporting water to the Coyote Sub basin, and the Master Plan would need to be amended before any further consideration by SCRWA. The CVSP DEIR needs to evaluate the potential impacts of delivering and using recycled water from SCRWA in the Coyote Sub basin. At a minimum, the DEIR should evaluate impacts on groundwater supply and quality in the Llagas Groundwater Sub basin, impacts to the Bolsa Groundwater Sub basin, and impacts on recycled water quality associated with disposing of advanced treatment brine in the San Jose/Santa Clara sewer system. Mitigation measures for impacts associated with the use of recycled water from SCRWA should be described in the DEIR. Lastly, please correct the name of the South County agency referred to in the DEIR as the "South County Water Recycled Agency" to its proper name, the "South County Regional Wastewater Authority."

Energy and Mineral Resources

The wording of Impact EMR – 2 as contained on page 397 of the DEIR is inconsistent with the wording of that Impact in the Summary section of the DEIR. Morgan Hill believes the wording contained in the Energy and Mineral Resources section of the DEIR accurately describes the projected impact and that the document should be amended to correct this inconsistency.

Project Alternatives

The No Project Alternative, Section 5.2, defines this alternative to allow development of the North Coyote Campus Industrial Area with up to 50,000 jobs. While this treatment is appropriate for one “no project” scenario, that Alternative must also be evaluated from the perspective of the development and jobs existing at the time the Notice of Preparation was issued, without any assumption of further development, as required by Section 15126.6(e)(2) of the CEQA Guidelines.

Section 5.2 addresses the No Project Alternative. This Alternative would allow 50,000 jobs to be created in the North Coyote Campus Industrial Area and no additional housing units. Section 5.2.1.2 indicates that this alternative “would result in fewer significant unavoidable traffic impacts than the proposed CVSP project, because the No Project Alternative does not include 25,000 housing units.” Section 4.12.3.2, Energy Impacts of the Proposed CVSP, indicates that “From a regional land use perspective, providing additional housing in San Jose may also lead to some reduction in transportation-related energy consumption. This conclusion is based on the fact that the region has a surplus of jobs in relation to housing, which has been a contributing factor in the decision of many people who are employed in the greater Santa Clara County area to purchase homes in more distant locales.” These two statements appear to be contradictory. The DEIR needs to clarify this apparent inconsistency. In addition, Section 5.2.1.2 indicates that the No Project Alternative “would not encourage traffic trips in the reverse commute (non-peak) direction.” If this is correct, it appears that traffic congestion in South County would be worse than under Project conditions. This potential should be further evaluated and discussed in the DEIR.

Section 5.4.1.12 describes the feasibility of Reduced Scale Alternative II. This Section indicates that this Alternative may not be financially feasible due to the cost of extending infrastructure to the Urban Reserve solely for residential development. At several of the CVSP Task Force meetings, the City’s economic consultant indicated that residential development, not commercial and industrial development, would pay for the infrastructure needed to develop the Urban Reserve. That statement appears inconsistent with the assertion in this Section of the DEIR and should be corrected.

All of the proposed Project Alternatives would provide more jobs in Coyote Valley than housing opportunities for Valley employees. San Jose currently has more employed residents than jobs and the intent of the CVSP is to correct this imbalance. However, as

indicated in Section 4.12.3.2 (referenced above), the region has a surplus of jobs in relation to housing, which has contributed the decision of many people who are employed in the greater Santa Clara County area to purchase homes in more distant locales. As a result, all of the Project Alternatives will exacerbate existing traffic problems. As such, the DEIR should be amended to include at least one Project Alternative that provides a balance between jobs and employed residents or more employed residents than jobs.

The significant impacts associated with each of the Project Alternatives have been compared qualitatively against the impacts of the CVSP. In order to better understand the relative benefits of the Alternatives, the associated impacts of each Alternative needs to be expressed in quantitative terms.

General Comments

Adoption as a Specific Plan: Page 10 of the Coyote Valley Specific Plan – Initial Draft indicates the intent to adopt the Plan as a Specific Plan as defined in the Government Code Section 65451(a)(4). One of the requirements of that type of plan is that it includes “A program of implementation measures including regulations, programs, public works projects, and financing measures necessary to carry out (the project).” Section 2.1.6 of the DEIR indicates that “The financing, phasing and implementation strategies for the CVSP are under preparation.” Lacking those strategies, the CVSP cannot be adopted as Specific Plan as defined by State law.

Adequacy of Mitigation Measures: The DEIR identifies many significant impacts that will result from build-out of the CVSP. However, the document does not identify when impacts will occur, how the mitigation measures for those impacts will be funded or when they will be implemented. Lacking this information, it is not possible to determine the magnitude or duration of project impacts that will occur. In addition, the lack of specificity in the mitigation measures brings into question the responsibility and/or feasibility of their implementation. Throughout the DEIR, mitigation measures need to be amended to indicate when impacts are anticipated to reach a significant level, when mitigation is proposed to occur and who is responsible for funding and implementing the mitigation. With this level of additional information, the DEIR should be re-circulated for public review and comment.

Preferred Alternative Plan: The Coyote Valley Specific Plan is a massive project that will ultimately be the size of Mountain View. Build-out of the Plan is anticipated to take between 30 and 50 years. Most general plans use a time horizon of 20 years in recognition of the increased difficulty of predicting social, economic or technological changes further into the future.

The Draft EIR includes two Project Alternatives that propose a level of development that could occur within a 20 to 25 year time period. One of these, Alternative I, proposes 20,000 jobs and 10,000 housing units in the portion of Coyote Valley that is currently within the city limits and urban service area and is planned for office/industrial

Darryl Boyd
June 26, 2007
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development. The DEIR indicates that this is the environmentally superior alternative. One version of this Alternative calls for the creation of a mixed use planned community similar to the CVSP, but on a smaller scale. Should the City decide to prepare the implementation program discussed above and adopt the CVSP as a Specific Plan, limiting the size and scope as identified in Alternative I appears to have significant benefit to San Jose and South County. The shorter time horizon will make the potential impacts be easier to predict and mitigate and will allow for creation of a financing plan that will be more grounded in realistic projections, and thus supportable by banks and investors. In addition, the reduced scale of the project would significantly reduce the number and magnitude of impacts on South County.

If you have any questions regarding our comments, please contact Kathy Molloy Previsich, our Community Development Director or David Bischoff, our project planner at 779-7247. Thank you for your serious consideration of our comments.

Sincerely,

Steve Tate, Mayor

C: City Council
City Manager
Director of Community Development

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MEMORANDUM

Date: June 14, 2007

To: David Bischoff/Kathy Molloy Previsich, City of Morgan Hill

From: Sohrab Rashid, P.E.

Subject: *Review of Coyote Valley Specific Plan DEIR*

SJ05-775

Fehr & Peers has completed a review of the Coyote Valley Specific Plan (CVSP) Draft Environmental Impact Report (DEIR) prepared by the City of San Jose. Our review focuses on the transportation impacts of the proposed project that are presented in Section 4.2 of the DEIR, as well as in Appendix C, which is the CVSP transportation impact analysis (TIA) prepared by Hexagon Transportation Consultants. We have reviewed these documents for: 1) completeness in terms of CEQA compliance, and 2) how the study addresses potential transportation impacts to the City of Morgan Hill and the greater southern Santa Clara County area. This memorandum summarizes our findings and comments on the environmental document.

PROJECT DESCRIPTION

Development Size

The actual number of jobs and housing units being proposed is not clear. The introduction to the CVSP TIA refers to 50,000 jobs and 25,000 dwelling units, while the project trip estimates refer to 57,060 jobs and 25,550 residential units. Table 2.0-2 in Section 2.0 of the DEIR cites 50,000 industry driving jobs, an additional 5,000 non-industry jobs and 26,400 total housing units. Lastly, the footnote to this table indicates that round numbers in the DEIR reflect the "program level of the EIR." Table 2.0-3 lists a total maximum of 26,394 dwelling units, which corresponds to the previous table, and includes a maximum building area of 15,025,342 square feet. The document should clearly state the maximum development levels anticipated as part of the project and indicate if certain analyses (e.g. the TIA included the analysis of higher levels).

The TIA does explicitly state that the already approved Coyote Valley Research Park (CVRP) with 20,000 jobs will be absorbed as part of the development should the CVSP project be approved as currently proposed. The CVRP development was originally intended to be a new Cisco R&D/office campus and can be built in its entirety without additional City of San Jose approvals.

Project Roadway Improvements

The proposed project includes development of an entirely new roadway system within Coyote Valley plus a new Caltrain rail station and a free internal transit circulator. This local transit system is identified as a fixed-guideway bus rapid transit (BRT) operation. The only external roadway improvements that are specifically identified as part of the project are a new interchange at Coyote Valley Parkway at US 101 and an improved connection to Coyote Creek Golf Course Drive. All other improvements are within the plan area and included arterial interchanges and new roadways to serve proposed land uses. (Note: The May 16, 2007 *South County Circulation Study Update* indicates that the new interchange is a Post-2030 improvement).

Partial Project Size

The TIA and DEIR also include a partial buildout of CVSP with 20,000 jobs and 10,000 dwelling units. This same project size was included in both near-term and long-term analyses. For the near-term analysis, the Partial CVSP Buildout analysis did not include the new Coyote Valley Parkway/US 101 interchange, the improved connection to Coyote Creek Golf Course Drive, and several arterial interchanges on Monterey Road. This analysis does not address any non-automobile modes, so it is not clear if the proposed Caltrain station and the internal transit circulator are part of the Partial CVSP project. This needs to be clarified to determine if the trip generation for this scenario is appropriate.

STUDY SCENARIOS

The impacts of the proposed project were analyzed under both near-term and long-term conditions. The long-term analysis was based on the City of San Jose General Plan analysis methodology, as well as an analysis of 2030 conditions using various land use data sets. Each scenario is described below.

Near-Term Analysis

The near-term analysis was completed in accordance with the standard Valley Transportation Authority (VTA) methodology of adding trips from already approved developments to existing conditions, and then adding project-generated trips to the Background Condition volumes.

Project trips were estimated by inputting CVSP land uses (57,060 jobs/25,550 dwelling units according to the TIA) into the Year 2005 base year model to determine the project trip generation, trip distribution and assignment. We have verified these land use inputs to the 2005 model. Intersection, roadway segment and freeway operations were analyzed based on this near-term analysis.

While this development scenario is not possible within several years given the likely buildout timeframe of at least 30 years, the near-term analysis provides decision-makers and the public with a "snapshot" of the impact of adding CVSP traffic to today's roadway infrastructure. Use of the model reflects the change in travel patterns that would occur with the addition of such a large project.

The TIA explicitly states that the CVRP with 20,000 jobs was included as a background project, so that the net number of new jobs added with the CVSP is actually roughly 30,000. While including this project as part of the Background Conditions analysis minimizes the relative change in traffic volumes with development of the entire CVSP, the Project Conditions analysis does accurately represent the addition of the entire project. Even if the CVRP was excluded from the list of approved projects, the impacts and mitigation measures under near-term Project Conditions would not change.

Long-Term Analyses

The City of San Jose General Plan analysis was conducted to determine how such a substantial change to the General Plan (i.e., the addition of the project) would affect the City's overall transportation network. This analysis was conducted for only the addition of the CVSP, and then with all pending General Plan applications to determine the cumulative impacts of the project per City guidelines. Per Section 6.0 of the EIR (Cumulative Impacts), the major projects included in the

cumulative analysis are the Evergreen-East Hills Vision Strategy, the Berryessa Flea Market project, and the iStar project all comprising development or intensified development on roughly 4,140 acres. The DEIR should indicate the level of development included for the Vision North San Jose project under this scenario, which ultimately will add approximately 26 million square feet of commercial development and 32,000 dwelling units at buildout.

The Year 2030 analysis was conducted to identify long-term traffic operating conditions with CVSP plus additional anticipated development in southern Santa Clara, Monterey, San Benito, and Santa Cruz Counties. Two land use scenarios were included in the CVSP analysis: 1) 2030 ABAG constrained land use for the counties listed above (which only includes partial buildout of CVSP), and 2) buildout land uses including 2030 growth for the counties listed above and full development of CVSP. This analysis only addressed freeway and roadway segment volumes and did not analyze intersection operations. While using this approach is helpful from an overall planning perspective, it does not help other adjacent jurisdictions, or San Jose for that matter, determine specific improvements needed at each of their intersections that may be affected by project-generated and cumulative traffic volumes.

KEY ANALYSIS METHODOLOGIES AND ASSUMPTIONS

The CVSP TIA includes several key technical assumptions and methodologies that have a substantial effect on the study findings. Each of these key study elements is described below.

Trip Generation

As noted above, the VTA travel demand model was used to generate trip generation for the proposed project. The project land uses were input and the model estimated the project's total trip generation, trip internalization, and number of transit, bicycle and walk trips. According to the TIA, the project is estimated to generate a total of 209,991 daily trips, 18,282 total AM peak hour trips, and 21,247 PM peak hour trips. Since the project will include a variety of housing, employment, supporting commercial uses, schools, and other community uses, many of the trips generated will occur between uses within the specific plan area.

The TIA estimates that the trip internalization will be approximately 30 percent and 35 percent during the AM and PM peak hours, respectively. Of all daily trips, roughly 40 percent would occur within the CVSP area. The resulting net number of trips assigned to the external roadway network in the rest of San Jose, Morgan Hill, Morgan Hill and other jurisdictions is 12,777 during the AM peak hour and 13,847 during the PM peak hour. Based on our experience with similar types of studies, we consider the level of internalization (30 to 40 percent) reasonable for a project provided all of the uses are developed as proposed. We verified the trip generation from the model after reviewing files and data provided by Hexagon and the VTA.

Regarding the total trip generation, we concur that the most appropriate method of estimating vehicle trips for a project of this magnitude is the use of a validated traffic model such as the VTA model. This helps to account for local trip generation rates (which are more applicable than standard industry rates published by the Institute of Transportation Engineers (ITE)), as well as trip internalization.

Other methods of verifying trip internalization is comparing the amount of retail square footage to the number of households, as well as the total number of employees per household. In general, the number of retail employees should be approximately 0.20 to 0.25 for every household. Based on 25,000 households, this should result in roughly 5,000 to 6,250 retail employees, of which 5,000 was

used in the travel demand model. Thus, the area is expected to be appropriately served by retail uses.

From a jobs-housing perspective, a well-balanced community should include approximately 1.25 employees for every household, resulting in a total of 31,250 employees for the CVSP-proposed 25,000 households. The difference between the proposed employment level of 50,000 industry-driving jobs and the "ideal" number of 31,250 indicates that CVSP will import workers. Thus, the net trip generation of roughly 13,000 to 14,000 peak hour trips accounts for a reasonable level of importing of workers.

The net new trips on the external roadway network were assigned to the study intersections, roadway segments, and freeway links and analyzed using the respective methods (TRAFFIX, estimated segment capacities, and VTA freeway segment capacities).

Trip Distribution

The distribution of external trips estimated by the travel demand model is approximately 70 percent to the north of the site and 30 percent to the south of the site. We verified this information from Hexagon's base year model run with the CVSP project in place. This split of trips is generally consistent with existing travel patterns, but does not necessarily represent future patterns. With significant increases in employment in Monterey County, San Benito County, and the cities of Morgan Hill and Morgan Hill, the future distribution of trips is expected to more closely approximate a 65-35 north-south split based on traffic forecasts from the 2030 model and the 2030 regional model maintained by the Association of Monterey Bay Area Governments (AMBAG).

SIGNIFICANT IMPACTS

The TIA identified impacts under near term and long-term conditions, the latter of which included the City of San Jose General Plan analysis and the 2030 analysis using South County Circulation Study data. Near-term impacts were studied for intersections, freeway segments, and roadway segments. Long-term operations analyzed screenlines, and freeway and roadway segments only. Impacts under each scenario are described below.

Near-Term Operations with CVSP

Only one intersection in Morgan Hill (Monterey Road/Old Monterey Road-Llagas Road) will be significantly affected according to the near-term analysis. The project will cause or exacerbate the need for traffic signals at four intersections. The only freeway or street segment significantly impacted is the northbound segment of US 101 from Tennant Avenue to Dunne Avenue during the AM peak hour.

2030 Operations with CVSP

Only freeway and roadway segments were analyzed under 2030 conditions, which does not allow the City to determine specific cumulative traffic needs at the intersection level. Conditions in 2030 were analyzed under two land use scenarios: 1) constrained land use projections from ABAG with partial development of CVSP, and 2) 2030 buildout land uses identified by all jurisdictions. These scenarios are consistent with model runs used in the South County Circulation Study. The key issue with the Year 2030 analysis is that it is included as an appendix and is not referred to until the last paragraph of the Conclusions chapter of the TIA. The DEIR does not include any reference to the

Year 2030 analysis in Section 4.2 (Transportation and Traffic) or in Section 6.3.2 (Cumulative Transportation and Traffic Impacts)

Under 2030 Constrained Conditions and Buildout Conditions, US 101 will operate at LOS E or F during one or both peak hours through Morgan Hill and into Coyote Valley. Monterey Road north of Cochrane Road is projected to operate at LOS F under Buildout Conditions with CVSP. The 2030 roadway segment analysis in Table G-10 incorrectly identifies Monterey Road between Cochrane Road and Old Monterey Road as having two lanes in the southbound direction with a capacity of 2,400 vehicles per hour (vph). This segment narrows from two to one along this segment and should be listed with a capacity of 1,200 vph. This change would cause the segment to operate LOS F during one or both peak hours under constrained and unconstrained conditions, resulting in an additional impact and requiring mitigation. The DEIR analysis should be revised to include this correction.

The documentation lists the proportion of CVSP traffic relative to all future traffic but not the proportion of future growth above Existing or Background Conditions. This information is needed to determine an accurate fair share analysis, and would help illustrate the effect of CVSP compared to growth in Morgan Hill, Gilroy, and the rest of the region. All of the cumulative impacts and potential mitigation should be discussed in the DEIR.

San Jose General Plan Analysis

The information in Section 6.0 only refers to impact thresholds used by the City of San Jose for their General Plan analysis and provides limited information to the public or decision-makers in other jurisdictions as to the magnitude of impacts outside the City. Changes in cordon line and screenline volumes are presented but specific changes to facilities are not identified. Roadway segments listed as operating at LOS E or F in the Year 2030 analysis (Appendix G to the TIA) are shown as congested link sets in the Long-Term Cumulative Impact Summary (Table 6.0-4 in the DEIR). This inconsistency should be explained in the text. However, the volume change in Table 6.0-4 for Link Sets 16 and 17 (N of Cochrane- NB and SB) is either negative or zero, and no impacts are identified. This result does not make sense since a substantial amount of CVSP traffic is expected to use US 101, Monterey Road, and Santa Teresa Boulevard south of the project site. This inconsistency should be investigated and explained.

MITIGATION MEASURES

Project Buildout

The TIA and DEIR only identify specific mitigation measures under near-term conditions. The project proposes to mitigate the (Monterey Road/Old Monterey Road-Llagas Road intersection by adding a separate southbound right-turn lane. For proposed intersection improvements in jurisdictions outside San Jose, the mitigation measure text does not explicitly commit to fund even a fair-share of the improvement. The project does propose to pay a fair share for installing signals at four City intersections in Morgan Hill. No mitigation is proposed for the near-term freeway impact on US 101 between Tennant Avenue and Dunne Avenue in Morgan Hill or in any other jurisdiction. CEQA explicitly requires that project-level (i.e., near-term) impacts be fully mitigated by the project or else identified as significant and unavoidable.

Although the project will result in significant impacts according to the City of San Jose General Plan analysis and the Year 2030 analysis, no physical improvements are proposed for facilities outside the CVSP area of address future project impacts. In Section 6.3.2.8, the DEIR lists the beneficial

attributes of the project and the resulting lower vehicle trip generation for the project including the mix of uses, proximity to rail transit, and provision of an internal transit system among others. This section also lists the three other major approved and proposed developments in San Jose (North San Jose, Downtown Strategy 2000, and Evergreen) and the fact that each includes a "comprehensive package of roadway improvements." This phrase is missing from the last bulleted item in this section describing CVSP.

Regarding impacts to freeway segments, the TIA indicates that physical mitigation would require widening that may be constrained by right-of-way acquisition and substantial cost for a single development. This latter reference makes sense for a small single-use project, but is unreasonable given the size of the proposed project, which will be the size of Mountain View at buildout. The CVSP should include a package of improvements similar to North San Jose and Downtown projects listed above with an appropriate impact fee. The TIA indicates that the improvements identified in the on-going South County Circulation Study could be used to help develop a regional funding plan. In short, the project makes no commitment to provide funding for any regional improvements including widening of the freeway. More importantly, the DEIR includes no reference to committed funding for any freeway improvements in any of the mitigation measures. The South County study is referenced in Section 4.2.5.4, but only indicates that the project "could" be required to make a fair share contribution towards improvements if a program is established. This approach certainly opens the project to legal challenges over funding mitigation in other jurisdictions similar to the issues the City of San Jose recently dealt with in the North San Jose environmental review process.

The City of San Jose is taking this approach in part to address the fact that growth in southern Santa Clara County will occur in all jurisdictions, not just San Jose. According to the Year 2030 analysis, the travel demand model assumed that Morgan Hill and Morgan Hill ultimately plan the addition of approximately 70,000 jobs compared to the 50,000+ jobs included in the CVSP. Conversely, the cities anticipate approximately 22,000 new households compared to the 25,000 new units in CVSP. The approach is reasonable in identifying the need for contributions from other jurisdictions to accommodate regional growth, but the document could easily be subject to a legal challenge (similar to the North San Jose litigation) by not identifying *any* specific cumulative mitigation and a corresponding funding mechanism.

Project and Improvement Phasing

As noted previously, the proposed project is a large, multi-faceted development that is expected to take decades to fully build out. In addition, the San Jose General Plan includes a trigger for development of housing only after 5,000 jobs have been created in the CVSP area and existing City services can be maintained based on a five-year economic forecast. Since the trigger does not limit housing after the 5,000-job level, some level of additional environmental analysis of other development scenarios needs to be included to inform the public.

For example, the vehicle trip internalization rate of nearly 40 percent relies on full development of residential, employment and other community-serving uses. However, the internalization rate would be significantly lower if the pace of job creation is substantially lower than the development of residential units. At the extreme, the project could develop 25,000 homes, but only 5,000 jobs because there is no limitation on residential development is proposed. This scenario would result in a much higher number of vehicle trips and subsequently additional or worse transportation impacts. The same situation would occur if the proposed expansion of Caltrain service does not occur in time to serve the residential development.

While predicting specific development levels for each use may not be practical from the City of San Jose's perspective, the CVSP should tie mitigation to development levels to ensure timely implementation of new capacity with the production of new vehicle trips. The vision North San Jose project cited above was divided into four development phases and included various roadway improvements for each phase. A similar plan should be prepared for CVSP and included in the DEIR.

SUMMARY

Based on the recent legal decision regarding the North San Jose project, we believe that the City of San Jose would have a difficult time arguing that the current CVSP environmental documentation provides a complete evaluation of all of the transportation impacts and mitigation measures. While we consider the overall technical approach reasonable with several exceptions, the document falls short in two key areas:

- identifying the impact of exacerbating excessive congestion in the US 101 corridor and the resulting diversion to Monterey Road and Santa Teresa Boulevard (among other local facilities), and
- mitigation proposed outside the CVSP area and San Jose. Specifically, no physical improvements for significant freeway and roadway segment impacts are identified in the TIA or DEIR under near-term or cumulative conditions.

The documentation defers to future improvements identified in the on-going South County Circulation Study, and no commitment of funding is provided for any regional improvement. In addition, no phasing plan is provided that would link future mitigation with specific levels of development to ensure timely application of transportation improvements.

The City of San Jose has set a precedent with other major studies by establishing comprehensive roadway improvement programs and funding mechanisms for improvements in San Jose and in other jurisdictions. The DEIR does not clearly state which external improvements will be funded, and the technical assumptions rely on transit and project design to help alleviate future congestion on regional facilities. If excessive congestion occurs on US 101 even similar to that of the late 1990's and early 2000's, diversion to Monterey Road and Santa Teresa Boulevard will occur at a higher level than identified in the transportation analysis and other mitigation will be required. While the City of San Jose is correct that substantial additional growth planned in Morgan Hill and Morgan Hill will contribute to congestion in the US 101 corridor, processing of CVSP as a specific project at this time requires that the DEIR address all cumulative impacts and identify mitigation measures and funding to minimize impacts. At a minimum, the CVSP project could fund ramp metering through the corridor, auxiliary lanes between interchanges, and other improvements to reduce future congestion in the US 101 corridor.

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